

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

SEPTEMBER 10, 2009

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in regular session on Thursday, September 10, 2009, at 7:00 P.M. in OWASA's Community Room.

Directors present: Randy Kabrick, P.E., Chair; Gordon Merklein, Vice Chair; Braxton Foushee, Secretary; Michael A. (Mac) Clarke; Gene Pease; Joyce C. Preslar; Alan Rimer, P.E.; and William R. Stott. Directors absent: Fred Battle.

OWASA staff: Ed Kerwin; John Greene; Mason Crum; Gwen Burston; Jane Showerman; Patrick Davis; Greg Feller; Ed Holland; Andrea Orbich; Kevin Ray; and Robert Epting, Esq., Epting and Hackney.

Others present: Meg Holton, Water, Wastewater, and Stormwater Manager, UNC; Gail Wood and Peg Parker, Highland Woods residents.

There being a quorum present, Chair Randy Kabrick called the meeting to order.

MOTIONS ACTED UPON

1. Mac Clarke made a motion to approve the Minutes of the July 23, 2009 Board Meeting; the motion was seconded by William Stott and carried by unanimous vote.

2. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Regarding Completion of the Phase III Odor Control Improvement Project at the Mason Farm Wastewater Treatment Plant." (Resolution so titled attached hereto and made a part of these minutes. Motion by Mac Clarke, second by Alan Rimer and carried by unanimous vote.)

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority adopt the resolution titled "Resolution Adopting Special Procedures for Board Meetings during Emergencies." (Resolution so titled attached hereto and made a part of these minutes. Motion by Alan Rimer, second by Braxton Foushee and carried by unanimous vote.)

4. William Stott made a motion that the Board convene in a closed session for the purpose of discussing a personnel matter; the motion was seconded by Mac Clarke and unanimously approved.

ITEM ONE: ANNOUNCEMENTS

CONFLICT OF INTEREST

Randy Kabrick said any Board member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time. There were none.

SEPTEMBER 17, 2009 MEETING

Randy Kabrick said that as a follow-up to the Orange County Commissioners' February 17, 2009 discussion of the Jordan Lake Partnership, a follow-up meeting will be held on Thursday, September 17, 2009, at 10:00 A.M., at the Southern Human Services Center in Chapel Hill. Ed Kerwin, Ed Holland and Mr. Kabrick will attend as a resource to the Commissioners.

DRAFT WATER SUPPLY PLAN UPDATE

Randy Kabrick said that staff will give presentations on OWASA's draft Water Supply Plan Update to the Chapel Hill Town Council on Monday, September 14, 2009, at 7:00 P.M. and to the Carrboro Board of Aldermen on Tuesday, November 10, 2009, at 7:30 P.M.

A community meeting to present OWASA's draft Water Supply Plan Update is scheduled for Wednesday, November 11, 2009 at 7:00 P.M. at the Chapel Hill Town Hall. The meeting will be televised.

COMMITTEE MEETINGS

Gordon Merklein updated the Board on the August 27, 2009, Finance Committee meeting. He said the Committee discussed the proposed resolution regarding the completion of the Phase III Odor Control Improvement Project at the Mason Farm Wastewater Treatment Plant and he noted that this is a discussion item on tonight's regular agenda. The Committee also discussed next steps from the independent review of OWASA's accounting and financial management and reporting systems.

Mr. Merklein said that the Finance Committee will meet on Tuesday, September 15, 2009, at 5:00 P.M., in the OWASA Boardroom, to consider recommendations in response to the consultant's independent review of OWASA's accounting and financial management and reporting systems.

Mac Clarke said the Ray Property Task Force, an ad hoc committee of the Board of Directors, meet prior tonight's Board meeting. The Task Force agreed that it would be desirable to use this property for public use though a partnership with the Town of Carrboro; however, if that is not realized, the next step would be to sell the property. Additional information will be provided at the September 24, 2009 Board meeting.

ITEM TWO: PETITIONS AND REQUESTS FROM THE PUBLIC

Randy Kabrick asked for petitions and requests from the public, Board and staff; there were none.

ITEM THREE: ANNUAL REPORT ON DISPOSAL OF SURPLUS PERSONAL PROPERTY

The Board received this as an information item.

ITEM FOUR: FISCAL YEAR 2009 ANNUAL REPORT ON ADJUSTMENT OF CUSTOMER ACCOUNTS FOR EMERGENCY SITUATIONS INVOLVING LOSS OF METERED WATER

The Board received this as an information item.

ITEM FIVE: ANNUAL REPORT ON THE TASTE OF HOPE CUSTOMER ASSISTANCE PROGRAM

The Board discussed and agreed to find new ways of raising donations to help customers in need.

ITEM SIX: EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION REPORT FOR FISCAL YEAR JULY 1, 2008-JUNE 30, 2009

The Board received this report as information only.

ITEM SEVEN: EMPLOYEE RECOGNITION AND SUGGESTION REPORT

The Board received this report as information only.

ITEM EIGHT: ANNUAL PERFORMANCE MEASUREMENT REPORT FOR FISCAL YEAR 2008-2009

Mac Clarke inquired on staff's progress in revising this report.

Ed Kerwin said staff has not revised the report based on Mr. Clarke's comments alone but would welcome the Board's guidance.

ITEM NINE: MINUTES

Mac Clarke made a motion to approve the Minutes of the July 23, 2009 Board Meeting; the motion was seconded by William Stott and carried by unanimous vote. Please see Motion No. 1 above.

ITEM TEN: RESOLUTION REGARDING COMPLETION OF THE PHASE III ODOR CONTROL IMPROVEMENT PROJECT AT THE MASON FARM WASTEWATER TREATMENT PLANT

Mac Clarke made a motion to approve the resolution; the motion was seconded by Alan Rimer and carried by unanimous vote. Please see Motion No. 2 above.

ITEM ELEVEN: RESOLUTION ADOPTING SPECIAL PROCEDURES FOR BOARD MEETINGS DURING EMERGENCIES

Alan Rimer made a motion to adopt the resolution; the motion was seconded by Braxton Foushee and carried by unanimous vote. Please see Motion No. 3 above.

ITEM TWELVE: QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDED JUNE 30, 2009

The Board received this update as an information item.

ITEM THIRTEEN: REPORT ON CORRECTION OF REPORTED WATER SALES DATA

Mac Clarke said that this is critical information and had this new information been available to the Board prior to setting rates, it is possible that the rate adjustment would have been higher. He also pointed out that while new software may be necessary to track customer demand, there should be additional checks and balances to confirm consumption data accuracy.

Alan Rimer said there is a need for more resources and he supports efforts to get staff the resources needed.

Joy Preslar noted that the new staff in the Information Technology Department will assist in compiling the information.

Randy Kabrick inquired if the Board should amend the Fiscal Year 2010 Budget, and if so, refer it to the Finance Committee.

Kevin Ray recommended that action on a budget amendment be delayed until further impact analysis is complete. He said that the Finance Committee will receive a staff report concerning corrected information on water sales data.

ITEM FOURTEEN: REPORT ON DRAFT SHORT-TERM EMERGENCY, MUTUAL AID WATER SALE AND PURCHASE AGREEMENTS WITH THE CITY OF DURHAM AND TOWN OF CARY

The Board received this report as an information item; Board action will be requested at a future meeting.

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ITEM FIFTEEN: CLOSED SESSION

William Stott made a motion that the Board convene in a closed session for the purpose of discussing a personnel matter; the motion was seconded by Mac Clarke and unanimously approved. Please see Motion No. 4 above.

The meeting was adjourned at 8:30 P.M.

**RESOLUTION REGARDING COMPLETION OF THE
PHASE III ODOR CONTROL IMPROVEMENT PROJECT AT THE
MASON FARM WASTEWATER TREATMENT PLANT**

WHEREAS, in March 2004, Orange Water and Sewer Authority (OWASA) sought approval of a Special Use Permit (SUP) Modification from the Town of Chapel Hill to allow for an upgrade and expansion of the Mason Farm Wastewater Treatment Plant (WWTP); and

WHEREAS, the OWASA Board of Directors adopted, on March 1, 2004, a *Resolution Regarding the Town of Chapel Hill's Special Use Permit for the Mason Farm Wastewater Treatment Plant*, which reaffirmed OWASA's goal of no off-site objectionable odors from the WWTP; and

WHEREAS, the SUP Modification approved by the Chapel Hill Town Council on March 1, 2004, included the requirement to eliminate off-site odor from the WWTP to the satisfaction of the Council; and

WHEREAS, in June 2007, OWASA and its WWTP neighbors agreed to a Draft Definition of Odor Elimination which included limits on the annual number of odor complaints, hydrogen sulfide concentrations, and a dilution-to-threshold (D/T) value; and

WHEREAS, OWASA expects to complete by September 2009 the Phase II Odor Control Project, which will cover and treat the air from all three (3) of the primary clarifiers at the WWTP; and

WHEREAS, OWASA's current Five-Year Capital Improvements Budget for Fiscal Years 2010-2014 includes funding of approximately \$3 million for the Phase III Odor Control Project to cover and treat the air from 8 of the 16 aeration basins;

**NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE WATER AND
SEWER AUTHORITY BOARD OF DIRECTORS:**

1. That the OWASA Board of Directors recognizes that it is bound by the SUP from the Town of Chapel Hill to eliminate off-site odor to the satisfaction of the Town Council.
2. That the OWASA Board of Directors is committed to completing the Phase III Odor Control Project as soon as practical, but no later than calendar year 2014.
3. That the OWASA Board of Directors reaffirms its commitment to be a good neighbor through its odor elimination program, which will include a total capital investment upon completion of the Phase III Project of about \$11.5 million and an annual operating cost of about \$250,000.
4. That OWASA will continue to keep its WWTP neighbors and Town Council informed regarding its odor elimination work.

Adopted this the 10th day of September, 2009.

**RESOLUTION ADOPTING SPECIAL PROCEDURES FOR
BOARD MEETINGS DURING EMERGENCIES**

WHEREAS, when public health or safety crises prevent the attendance of a majority of the members of the Board of Directors at a meeting, extraordinary measures may be taken to assure the ability of OWASA to continue to transact its business and these measures must comply with the North Carolina General Statute 143 and its requirements regarding public meetings, prior notice, quorums, and voting; and

WHEREAS, on those occasions when a public health or safety emergency interferes with the attendance of at least a majority of the Board members so as to prevent the physical presence of a quorum in one physical location, the Board will follow the attached policy, *Special Procedures for Board Meetings During An Emergency*;

NOW, THEREFORE, BE IT RESOLVED BY THE OWASA BOARD OF DIRECTORS:

1. That the Orange Water and Sewer Authority Board of Directors adopts the attached *Special Procedures for Board Meetings during an Emergency*.
2. That this policy shall take effect upon adoption.
3. The Executive Director is hereby authorized and directed to implement said policy during a public health or safety crises.

Adopted this 10th day of September, 2009.

SPECIAL PROCEDURES FOR BOARD MEETINGS DURING AN EMERGENCY

When public health or safety crises prevent the attendance of a majority of the members of the Board of Directors at a meeting, extraordinary measures may be taken to assure the ability of OWASA to continue to transact its business. These measures must comply with the General Statutes' requirements regarding public meetings, prior notice, quorums, and voting.

Pertinent to meetings of the Boards of Water and Sewer Authorities, G.S. 162A-59(c) provides: "A majority of the members of the authority shall constitute a quorum and the affirmative vote of a majority of all of the members of the authority shall be necessary for any action taken by the authority." Further, the provisions of the Open Meetings Law also pertain to OWASA Board, and require prior notice of all meetings, and provision for attendance of the public, and strictly limit the circumstances in which the Board may deliberate in private.

On those occasions when a public health or safety emergency interferes with the attendance of at least a majority of the Board members so as to prevent the physical presence of a quorum in one physical location, with the consent of a majority of the Board, including any member in contact with the physical location of the Board meeting by electronic or telephonic means, Board members in contact by electronic or telephonic means may be counted so as to constitute a quorum, and they may participate in meetings and vote on matters before the Board, so long as provision is made for the public to observe and hear all such communications and votes at the meeting site.

On those occasions when a public health or safety emergency prevents the meeting of a majority of the members of the Board, even by telephonic or electronic means, urgent matters requiring the action of the Board may be determined by a majority vote of the Executive Committee, consisting of the Board Chair, the Vice Chair, and the Secretary. In such cases, the Executive Director shall notify the Board of Directors of such action by electronic or written communication as soon as such notification can be made.

On those occasions when an extreme public health or safety emergency prevents the attendance of a majority of the members of the Board, or a determination by the Executive Committee, even by telephonic or electronic means, urgent matters requiring action of the Board may be determined by the Executive Director in consultation with the Chair of the Board of Directors, if the Chair is available for communication, or solely, if the Chair is not available. In such cases, the Executive Director shall notify the Board of Directors of such action by electronic or written communication as soon as such notification can be made.

If the capability is present, members may participate by phone and be counted present for quorum purposes at a meeting of the Board or any committee of the Board, so long as provision is made for public attendance, observation, and hearing, of such participation.

ORANGE WATER AND SEWER AUTHORITY
CLOSED SESSION OF THE BOARD OF DIRECTORS
SEPTEMBER 10, 2009

The Board of Directors of Orange Water and Sewer Authority met in Closed Session on Thursday, September 10, 2009, following the regularly scheduled meeting of the Board of Directors.

Directors present: Randolph M. Kabrick, P.E., Chair; Gordon Merklein, Vice Chair; Braxton Foushee, Secretary; Michael A. (Mac) Clarke; Joyce C. Preslar; Alan Rimer, P.E.; and William Stott, III. Directors absent: Fred Battle.

ITEM ONE

The Board of Directors met in Closed Session for the purpose of evaluating the annual performance of OWASA's General Counsel for the current fiscal year.

No official action was taken at the meeting.